

August 29, 2000

JOHN H. TALICK
DISTRICT MANAGER
DETROIT DISTRICT

SUBJECT: Fiscal Year 2000 Cost and Revenue Analysis
Audit (Report Number FF-FA-00-030)

This interim report of the fiscal year (FY) 2000 Cost and Revenue Analysis audit presents the results of our observation of statistical tests at selected sites in the Detroit District (Project Number 00PA030FF000).

**Objective, Scope, and
Methodology**

The objective of our audit was to determine whether statistical tests conducted to collect cost, revenue, and volume data were performed in accordance with policies and procedures established by the Postal Service. To accomplish our objective, we observed four data collectors performing cost and revenue analysis tests at four post offices and one Statistical Programs office in the Detroit District.

Specifically, we judgmentally selected and observed:

- Nine In-Office Cost System tests.
- Four Revenue Pieces and Weight System tests.

We interviewed the data collectors performing the selected tests and reviewed the reports of each test provided by district Statistical Programs officials. We judgmentally selected the audit sites.

We conducted this audit from July 24 through July 27, 2000, in accordance with generally accepted government auditing standards and included such tests of internal controls as were considered necessary under the circumstances. We discussed our observations and conclusions with appropriate management officials and included their comments, where appropriate.

Observations

We did not detect any errors during our observation of data collectors performing statistical tests of the In-Office Cost System and the Revenue Pieces and Weight System in the Detroit District.

Internal Controls

Our review revealed that internal controls were in place for the tests that we observed.

These results will be summarized in a report to Postal Service Headquarters for FY 2000 at the conclusion of the audit. We appreciate the cooperation and courtesies provided by your staff during the review. If you have any questions, please contact me at (703) 248-2100.

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